

NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS - Chairman
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON
LEA MÁRQUEZ PETERSON

In the matter of:

Sync Title Agency, LLC, An Arizona Entity

Rosicella Joplin and Sean Joplin,
Respondent and Spouse, and

Christopher Olson, a single man

Respondents.

DOCKET NO. S-21131A-20-0345

**NOTICE OF OPPORTUNITY FOR HEARING
REGARDING PROPOSED ORDER TO CEASE
AND DESIST, ORDER FOR RESTITUTION,
ORDER FOR ADMINISTRATIVE
PENALTIES, AND ORDER FOR OTHER
AFFIRMATIVE ACTION**

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Sync Title Agency, LLC, Rosicella Joplin, and Christopher Olson have engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

The Division also alleges that Rosicella Joplin and Chris Olson are persons controlling Sync Title Agency, LLC within the meaning of A.R.S. § 44-1999(B), so that they are jointly and severally liable under A.R.S. § 44-1999(B) to the same extent as Sync Title Agency, LLC for its violations of the antifraud provisions of the Securities Act.

I.**JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.

RESPONDENTS

2. Sync Title Agency, LLC (“Sync”) is an Arizona Limited Liability Company formed on May 8, 2018.

3. Rosicella Joplin (“R. Joplin”) is the statutory agent and a managing member of Sync.

4. Christopher Olson (“Olson”) is a managing member of Sync.

5. Sean Joplin (“S. Joplin”) was at all relevant times the spouse of Respondent R. Joplin and may be referred to collectively as “Respondent Spouse.” Respondent Spouse is joined in this action under A.R.S. §44-2031(C).

6. At all relevant times, Respondent R. Joplin and Respondent Spouse were acting for their own benefit and on behalf of and for the benefit of the marital community.

7. Respondents Sync, R. Joplin, and Olson may be collectively referred to as “Respondents.”

8. At all relevant times, from approximately May 8, 2018, to present, Sync conducted business from an address located in Arizona and operated its business using bank accounts established in Arizona. At all relevant times, Respondents were not registered by the Commission as dealers or salesmen.

III.

FACTS

9. In late 2018, Respondents R. Joplin and Olson, who are licensed real estate agents, met the investors when they assisted the investors in purchasing an investment property.

10. Respondents, although not registered as dealers or salesmen, offered the investors an investment in Sync.

11. Respondents explained they were opening a title company to process real estate transactions. Respondents said they owned a mortgage company called Lime Mortgage and intended to profit from all parts of real estate transactions.

1 12. Respondents told the investors another couple had previously agreed to invest in Sync
2 and provide the money that Sync needed to start the business, but the couple backed out of the
3 investment.

4 13. Respondents stated that investing \$100,000 would give the investors just under 20
5 percent ownership in Sync. Olson advised the investors that if their ownership was over 20 percent
6 they would need to undergo licensing by the state of Arizona.

7 14. Respondents described the investment as fail proof due to the business they could
8 forward to the title company.

9 15. Respondents advised the investors that Sync would be open and operating within a
10 month of the date of the investment and that, if Sync did not open, they would receive a refund of their
11 investment.

12 16. Olson told the investors that their share of the profits from their investment would be
13 approximately \$5,000 a month.

14 17. Olson stated the \$100,000 investment would be used to hire an experienced title agent
15 who agreed to come to Sync from another title company. Some of the funds were to go for payments
16 related to Sync's office space which would be in Scottsdale, Arizona.

17 18. Respondents provided a Limited Liability Company Interest Purchase Agreement
18 ("Purchase Agreement") to the investors. The Purchase Agreement states, "Sellers desires [*sic*] to sell a
19 total interest of 19.9% in SYNC TITLE AGENCY, LLC (the "Interest") to Buyers. Each seller will be
20 selling 9.95% of their respective 50% interest to Buyers."

21 19. Section 5 of the Purchase Agreement states, "ASSIGNMENT OF THE STOCK. From
22 and after the Closing, all equitable and legal rights, title and interests in and to the Stock shall be owned,
23 held and exercised by each member of the Company in the proportions specified in the Company's
24 Operating Agreement."

1 20. The agreement required a payment of \$100,000 with \$50,000 due at or before the time
2 of closing and a payment of \$25,000 on or before May 1, 2019 and another payment of \$25,000 on or
3 before August 1, 2019.¹ The Purchase Agreement was signed by all parties on January 31, 2019.

4 21. The investors wired an initial payment of \$50,000 and the funds were deposited into the
5 Sync bank account on February 1, 2019.

6 22. Respondents also provided a Limited Liability Company Operating Agreement for Sync
7 Title Agency, LLC (“Operating Agreement”) to the investors. The Operating Agreement indicates that
8 Chris Olson is Sync’s registered agent.²

9 23. Respondents R. Joplin and Olson are listed as the manager/members and the investors
10 are listed as members.

11 24. The investors would not have managerial control of the company and would be passive
12 investors. The Operating Agreement was signed by all parties on January 31, 2019.

13 25. Section 4.8 of the Operating Agreement states, “COMPANY INFORMATION. Upon
14 request, a Manager shall supply to any member information regarding the Company or its activities.
15 Each Member or his authorized representative shall have access to and may inspect and copy all books,
16 records and materials in the Managers(s) [*sic*] possession regarding the Company or its activities.”

17 26. Section 4.11 of the Operating Agreement required that Sync keep copies of any financial
18 statements of Sync for the three most recent years. Section 6.1 required the managers to have complete
19 books of accounting at Sync’s principal place of business and Section 6.2 required that the managers
20 “maintain separate capital and distribution account ledgers for each member, EXCEPT for any joint
21 tenancy accounts, which shall be treated as a single account.”

22 27. R. Joplin and Olson filed applications for licensure as escrow agents with DFI. On April
23 18, 2019, DFI staff emailed Olson regarding documents that were still outstanding, including a
24 certificate of good standing, escrow rate filing form, audited financial statements reflecting a net worth

25 _____
26 ¹ In a June 10, 2019 text to one of the investors, R. Joplin stated, “However we do understand your situation and has [*sic*]
been the reason why we never ask [*sic*] for the remaining funds in accordance to the purchase contract and operating
agreement.”

² According to Commission records, R. Joplin has been the statutory agent at all relevant times in this matter.

1 of \$100,000 or more, a signed surety bond as the surety bond that was previously submitted was
2 unsigned, and a business plan.

3 28. For the next two days after the initial email, DFI continued to send reminder emails to
4 Olson requesting the outstanding documents. The documents were not received, and the status of the
5 application was changed to “withdrawn” as of April 21, 2019.

6 29. Respondents did not tell the investors that DFI had emailed Olson advising him that the
7 application was incomplete.

8 30. In April 2019, the investors asked Respondents about the status of Sync and were advised
9 that there were a few things that still needed to be taken care of, but the company would open soon.

10 31. In May 2019, Olson told the investors that they were waiting on a required audit that
11 would show the partners had \$100,000 in the bank. Olson said a Certified Public Accountant would
12 contact them related to the audit, but they were never contacted.

13 32. In June 2019, the investors requested that Respondents return their investment funds to
14 them. The investors also asked to see statements from the Sync bank account and all documents that had
15 been submitted to the Arizona Department of Financial Institutions (“DFI”)³ and they did not receive
16 those records.

17 33. The investors contacted DFI to inquire about Sync’s license and were advised that Sync
18 was not licensed.

19 34. The bank records reflect that the investors’ funds were deposited in a bank account under
20 the name “Sync Title Agency” and controlled by Respondents R. Joplin and Olson. The account was
21 opened on November 9, 2018. As of February 1, 2019, the Sync account had a balance of \$36.00. On
22 February 1, 2019, the investors wired \$50,000 into the Sync account.

23 35. The bank records reflect that by the end of February a third of the investors’ funds had
24 been spent and by the first week of March approximately half of the investors’ funds had been spent.

25
26 ³ Now known as the Department of Insurance and Financial Institutions.

37. Respondents withdrew \$44,900.00 in cash from the Sync account and Respondents frequently deposited the cash withdrawals into bank accounts in the name of Top Realty, ⁴ Joplin Realty,⁵ and Lime Mortgage⁶ and those entities received at least \$26,900 from the cash withdrawals.

38. At least \$26,455.56 of the funds in the Sync account were used to pay credit card companies for accounts in the name of Joplin Realty, R. Joplin and Respondent Spouse.

39. The investors provided funds with the expectation that the funds would be used as an investment in Sync as represented by Respondents, including hiring an experienced title agent and renting office space. The investors did not authorize funds to be used for any purposes other than the investment in Sync. The investors have not received any profit or reimbursement of their invested funds.

40. Respondents were not registered as dealers or salesmen and the interests in Sync were not registered.

VIOLATION OF A.R.S. § 44-1841

41. From on or about January 2019 through February 1, 2019, Respondents offered or sold securities in the form of an investment contract, within or from Arizona.

42. The securities referred to above were not registered pursuant to Articles 6 or 7 of the Securities Act.

43. This conduct violates A.R.S. § 44-1841.

⁴ Top Realty, LLC is an Arizona entity which formed on March 23, 2015 with Rob Olson and Olson as its managing members and Rob Olson as its statutory agent.

⁵ Joplin Realty, LLC is an Arizona entity which formed on November 13, 2017 with R. Joplin as its sole managing member and its statutory agent.

⁶ Lime Mortgage, LLC is an Arizona entity which formed on April 13, 2018 with Olson and R. Joplin as its managing members and R. Joplin as its statutory agent.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

44. Respondents offered or sold securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

45. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

46. In connection with the offer or sale of securities within or from Arizona, Respondents directly or indirectly: (i) employed a device, scheme, or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts that were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to, the following:

- a) Respondents misrepresented to the investors that Sync would be open within a month of providing the investment funds and Sync did not open within a month of providing the investment funds.
- b) Respondents misrepresented to the investors that if Sync did not open Respondents would refund the investment funds to the investors and Sync has neither opened for business nor refunded the investment funds to the investors.
- c) Respondents misrepresented that the investors' funds would be used for opening a title company when, in fact, some of the investment funds were:
 - 1. used to make payments for the personal and business credit cards of R. Joplin, Joplin Realty, and Respondent Spouse;
 - 2. withdrawn as cash; and
 - 3. diverted to bank accounts in the name of other entities related to R. Joplin's and Olson's real estate and mortgage businesses, Top Realty, Joplin Realty and Lime Mortgage.

47. This conduct violates A.R.S. § 44-1991.

VII.

CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999

1. From at least May 8, 2018 through present, R. Joplin has been and/or held herself out as a managing member of Sync.

2. From at least May 8, 2018 through present, R. Joplin directly or indirectly controlled Sync within the meaning of A.R.S. § 44-1999. Therefore, R. Joplin is jointly and severally liable to the same extent as Sync for its violations of A.R.S. § 44-1991 from at least May 8, 2018 through present.

3. From at least May 8, 2018 through present, Olson has been and/or held himself out as a managing member of Sync.

4. From at least May 8, 2018 through present, Olson directly or indirectly controlled Sync within the meaning of A.R.S. § 44-1999. Therefore, Olson is jointly and severally liable to the same extent as Sync for its violations of A.R.S. § 44-1991 from at least May 8, 2018 through present.

VIII.

REQUESTED RELIEF

The Division requests that the Commission grant the following relief:

1. Order Respondents to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032;

2. Order Respondents to take affirmative action to correct the conditions resulting from Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;

3. Order Respondents to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order that Respondent and Respondent Spouse be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action; and

5. Order any other relief that the Commission deems appropriate.

IX.**HEARING OPPORTUNITY**

Each respondent, including Respondent Spouses, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. **If a Respondent or a Respondent Spouse requests a hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/hearing>.

If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission may, without a hearing, enter an order granting the relief requested by the Division in this Notice of Opportunity for Hearing.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Carolyn D. Buck, ADA Coordinator, voice phone number (602) 542-3931, e-mail cdbuck@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation. Additional information about the administrative action procedure may be found at <http://www.azcc.gov/securities/enforcement/procedure>.

X.**ANSWER REQUIREMENT**

Pursuant to A.A.C. R14-4-305, if a Respondent or a Respondent Spouse requests a hearing, the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona

1 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be
2 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site
3 at <http://www.azcc.gov/hearing>.

4 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant
5 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a
6 copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007,
7 addressed to Wendy Coy.

8 The Answer shall contain an admission or denial of each allegation in this Notice and the
9 original signature of the answering respondent or respondent's attorney. A statement of a lack of
10 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not
11 denied shall be considered admitted.

12 When the answering respondent intends in good faith to deny only a part or a qualification of
13 an allegation, the respondent shall specify that part or qualification of the allegation and shall admit
14 the remainder. Respondent waives any affirmative defense not raised in the Answer.

15 The officer presiding over the hearing may grant relief from the requirement to file an Answer
16 for good cause shown.

17 Dated this 18th day of November, 2020.

19 /s/ Mark Dinell

20 Mark Dinell
21 Director of Securities
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